



KENTUCKY

Arlington/Roe & Co

New Program and Enhancements to the Kentucky Dwelling and Homeowners Program with American Modern Select Insurance Company

Effective Date: October 1, 2009 – New and Renewal Business

American Modern Select Insurance Company is introducing a New DP-3 Program. In addition, several enhancements have been made to the DP-1 and HO-10 programs.

Base rate changes have also been made to improve the profitability in these programs.

New DP-3 Program Now Available For:

- Rental and Seasonal Risks. Not available for Owner Occupied homes.
- Dwellings valued from \$75,000 to \$300,000.
- Dwellings in above average or better condition, and reflect responsible ownership in the maintenance and upkeep of the property.
- Dwellings with cosmetic issues like peeling paint are not eligible for the DP-3 program, but can be written in DP-1.
- Dwellings 60 years of age or newer. Roof must be 20 years of age or newer unless tile or slate.
- **Actual Cash Value Loss Settlement** – Changes the loss settlement provision from replacement cost to actual cash value. Home must be insured to 100% Market Value.
- **Agreed Value Modified Functional Replacement Cost** – Changes the loss settlement option to full cost of repair/replacement using commonly used building materials without deduction for depreciation up to the Agreed Value of the dwelling Coverage A amount.

New Optional Coverages for DP-1 and/or DP-3

- **Vacancy Permission Endorsement** is now available for Owner, Rental or Seasonal Dwellings. The Vacancy Permission Endorsement eliminates the reduction in coverage for homes vacant more than 60 days. You will no longer need to cancel and rewrite a policy due to vacancy.
- **Occasional Rental Endorsement** is now available for Owner and Seasonal dwellings. Home must be occupied for at least four months and only occasionally rented.
- **Short Term Rental Endorsement** is now available for Rental risks. Lease Term must be for less than three months and can be a weekly rental.
- **Structure Endorsement** is now available for **DP-1** Seasonal risks. Provides coverage for non-residential buildings such as pole barns, permanent camping structures, boat houses or covered boat slips (no living quarters), and cabins. The structure can be on or off the primary residence premises. It will be insured on a separate policy than the dwelling and the dwelling doesn't have to be insured with American Modern.
- **Builders Risk Endorsement** is now available for Vacant dwellings while undergoing major renovations or during final phases of new construction.
- **Fair Rental Value/Loss of Rents** is available up to 20% for Owner, Rental or Seasonal residences in both **DP-1 and DP-3**.
- **Personal Property Replacement Cost Option for DP-3** provides full replacement loss settlement of the Personal Property.

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Coverage Changes for HO-10

- **Hobby Farming Endorsement** allows risks with hobby farming exposures to be eligible for coverage.
- **Replacement Cost – Building** provides full replacement cost loss settlement for the insured dwelling. Dwelling must be insured to 100% Replacement Value.

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In this time of economic uncertainty, the financial stability of your insurance carrier is more important than ever to you and your policyholders. American Modern Insurance Group is now part of Munich Re, one of the most diversified and successful reinsurers in the world with over \$275 billion in assets (as of Sept. 30, 2008). It is good to know your policyholders have the financial backing of American Modern Insurance Group (A+ rated by AM Best), a member of Munich Re.

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